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UNCLAS HANOI 000343

SIPDIS

STATE FOR EB/IPC:DRBEAN, EAP/BCLTV AND EB/ODC
STATE ALSO PASS USTR BURCKY/ALVAREZ AND BRYAN
STATE ALSO PASS USPTO FOR URBAN/FOWLER
STATE ALSO PASS LIBRARY OF CONGRESS FOR TEPP
USDA FOR FAS/FAA/AO HUETE
USDOC FOR LASHLEY AND 4431/MAC/AP/OKSA/HPPHO
USDOC ALSO FOR ITA/TD/OTEA/JJANICKE AND ITA/TD/SIF/CMUIR

E.O. 12958: N/A

TAGS: [KIPR](#) [ETRD](#) [ECON](#) [VM](#) [IPROP](#)

SUBJECT: VIETNAM: ONE SMALL VICTORY IN IPR WAR

1. Vietnam's ongoing struggle to understand the value of protecting intellectual property rights was demonstrated clearly in January when an article in "The Guide" magazine, a monthly supplement to The Vietnam Economic Times (VET), proudly promoted Hanoi as "home to a thriving trade in copying CDs and DVDs". It listed shops where pirated materials could be purchased and provided tips on how to identify good quality copies. The article is part of "The Guide's" monthly list of prime hotels, restaurants and shopping locals in Vietnam's major cities. In stark contrast, the cover story of the companion issue of the VET discussed "branding in Vietnam" - highlighting the need for Vietnamese companies to register trademarks and build brand awareness in order to promote Vietnamese products internationally.

2. In response to U.S. industry complaints about the article in "The Guide," Charge sent letters to the editor of the VET as well as to the Vice Minister of Culture and Information protesting the article and highlighting its disregard for Vietnam's IPR commitments under both the U.S. - Vietnam Copyright Agreement and the U.S.-Vietnam Bilateral Trade Agreement (BTA). Charge also noted the damage such an article can do to Vietnam's international reputation and its investment climate. Just 5 days later, Professor Dao Nguyen Cat, Editor-in Chief of the VET, sent a reply to Charge that acknowledged the impropriety of the "The Guide" article, promised to amend the February issue and encouraged the USG to continue its cooperation with Vietnam on copyright issues. As promised, the February edition of "The Guide" did not include any information on purchasing pirated CDs or DVDs in Vietnam.

3. COMMENT: True to form, The Ministry of Culture has not yet responded to Charge's request that it shut down the CD/DVD shops which are well known for selling pirated goods in Hanoi that were specifically cited in the January issue of "The Guide". Over the course of the last year, post has sent several letters to the Ministry citing specific cases of IPR violations and asking the Ministry to take action. The Ministry often takes months to respond and rarely directly acknowledges the IPR violation or details what steps the Ministry will take to stop the violation and prevent future recurrences. In contrast, however, we were encouraged by the rapid response of Mr. Cat, which not only acknowledged the problem but also agreed to ensure "The Guide" would not continue to promote piracy in subsequent editions of the magazine.

4. As evidenced by the focus of the January issue of the VET on branding (as well as a number of other recent articles and seminars), there is growing awareness in many sectors of Vietnam's economy of the need for IP protection for Vietnamese products. While this understanding is still only evident among a small percentage of the population, it is growing - among Vietnamese agricultural exporters, software developers and artists, for example. While these groups are a long way from forming a critical mass, we remain hopeful that as their numbers increase they will begin to demand greater protection from the GVN for the IPR of domestic industries. Strong domestic demand for IP protection may just be the additional element that will compel the GVN to develop effective enforcement capabilities in line with the international commitments it has made to protect IPR.

BURGHARDT